

**F. Other Insurance**

Except as otherwise stated to the contrary elsewhere in the policy, such insurance as is provided by this policy shall be excess of any other valid and collectible insurance available to **you**.

**G. Subrogation**

**You** may be able to recover all or part of a **claim** or a **loss** from someone other than **us**. **You** therefore must do all that is possible after a **claim** or **loss** to preserve any such right of recovery. If we make a payment under this policy, that right of recovery will belong to **us**. **You** will do whatever is necessary, including signing documents, to help **us** obtain that recovery.

**H. Policy Changes**

This policy contains all the agreements between **you** and **us** concerning this insurance. This policy can only be changed by a written endorsement we issue and make a part of this policy.

**I. Assignment**

**You** cannot assign or transfer any interest in this policy. If **you** die or are declared legally incompetent, **your** rights and duties will be transferred to **your** legal representative, but only while acting within the scope of his or her duties as such, and only with respect to **your** wrongful acts that took place prior to **your** death or incompetency.

**J. Special Rights and Duties of Named Insured**

**You** agree that when there is more than one person or organization covered under this policy, the **named insured** first listed in Item 1. of the Declarations shall act on behalf of all **insureds** as to:

- (1) giving and receiving notice, including, without limitation, notice of **claims**, **loss**, or cancellation;
- (2) acceptance or refusal of any applicable Extended Reporting Period;
- (3) payment of premiums and receipt of return premiums; and
- (4) acceptance of any endorsements to this policy.

**K. Cancellation**

This policy may be canceled by the **named insured** by:

- (1) surrender of this policy; or
- (2) giving written notice to **us** stating when thereafter such cancellation shall be effective.

This policy may also be canceled by **us** by our delivering to the **named insured** by registered, certified, other first class mail or other reasonable delivery method, at the **named insured**'s address set forth in the Declarations, written notice stating when, not less than sixty (60) days thereafter (ten (10) days in the event of cancellation for non-payment of premium), the cancellation shall be effective. Proof of mailing or delivery of such notice as aforesaid shall be sufficient proof of notice and this policy shall be deemed canceled as to all **insureds** at the date and hour specified in such notice. If this policy shall be canceled by the **named insured** we shall retain the customary short rate proportion of the premium therein. If the policy is canceled by **us**, we shall retain the pro rata proportion of the premium therein. Payment or tender of the unearned premium by **us** shall not be a condition precedent to the effectiveness of cancellation, but such payment shall be made as soon as practicable. If the period of limitation relating to the giving of notice for cancellation, as set forth above, is less than the period set forth in any law controlling construction thereof, the period set forth above shall be deemed to be amended so as to equal the minimum period of limitation set forth in such controlling law.

**L. Extended Reporting Provisions**

**(1) Automatic Extended Reporting Period**

If we or the **named insured** cancel this policy or refuse to replace this policy, the **named insured** shall have the right following the effective date of such cancellation or refusal to a period of sixty (60) days (herein referred to as the "Automatic Extended Reporting Period") in which to give written notice to **us** of **claims** first made against any **insured** during the Automatic Extended Reporting Period for any **wrongful act** occurring prior to the end of the **policy period** and otherwise covered by this policy.

The Automatic Extended Reporting Period shall not apply to **claims** that are covered under any subsequent insurance **you** purchase or that is purchased for **your** benefit, or that would be covered, but for the exhaustion of the amount of insurance applicable to such **claims** or that is within any applicable Retention.

**(2) Optional Extended Reporting Period**

If we or **named insured** shall cancel this policy or refuse to replace this policy, the **named insured** shall have the right, upon payment of an additional premium of up to seventy-five percent (75%) of the full annual premium, to a period of up to one (1) year, or upon payment of an additional premium of up to two hundred percent (200%) of the full annual premium to a period of up to three (3) years, following the effective date of such cancellation or refusal (herein referred to as the "Optional Extended Reporting Period") in which to give written notice to us of **claims** first made against **you** during the Optional Extended Reporting Period for any **wrongful act** occurring prior to the end of the **policy period** and otherwise covered by this policy.

The Extended Reporting Periods provided pursuant to subparagraphs (1) and (2) above, do not apply to coverages A, D, E, F, and G.

**(3) Coverage D and E Extended Reporting Period**

If we or the **named insured** shall cancel this policy or refuse to replace this policy, **you** shall have up to one (1) year following the effective date of such cancellation or refusal to discover and report any covered **loss** under coverages D and E.

- (4) The rights contained in this paragraph VII.L shall terminate unless the **named insured** provides written notice of such election together with the additional premium due to us within thirty (30) days of the effective date of cancellation or refusal to replace this policy. The additional premium for the Optional Extended Reporting Period shall be deemed fully earned at the inception of the Optional Extended Reporting Period. The Optional Extended Reporting Period is not cancelable. This paragraph VII.L and the rights contained herein shall not apply to any cancellation resulting from non-payment of premium. Our offer of terms, conditions, limits of liability or premiums different from those of the expiring policy shall not constitute a refusal to replace this policy.
- (5) As used herein, "full annual premium" means the premium level in effect immediately prior to the end of the **policy period**.
- (6) The **policy limit of liability** and applicable **sublimits of liability** for any Extended Reporting Period (including any Automatic Extended Period and Optional Extended Period) shall be part of, and not in addition to, the **policy limit of liability** and applicable **sublimits of liability** for the **policy period**.
- (7) If the **named insured** exercises its right to purchase an Optional Extended Reporting Period, the Automatic Extended Reporting Period shall not apply.

**M. Notice of Circumstance and Related Claims**

- (1) Under coverage B, if during the **policy period** or the Extended Reporting Period, as applicable, **you** become aware of any facts or circumstances that may reasonably be expected to give rise to a **claim** against **you** for a **wrongful act** that occurs prior to the end of the **policy period**, and provided **you** give written notice to us during the **policy period** or the Extended Reporting Period, as applicable, of the circumstances and the reasons for anticipating such a **claim**, with full particulars as to the **wrongful act(s)**, dates, persons and entities involved, then any **claim** that is subsequently made against **you** arising out of such **wrongful act** or the same **wrongful act(s)** or series of continuous, repeated or related **wrongful acts**, shall for the purposes of this policy, be treated as a **claim** made against **you** and reported to us at the time such notice was given.
- (2) Under coverage B, if **you** have notified us in writing of **claim** pursuant to paragraph VII.A. above, then any **claim** that is subsequently made against **you** and reported to us alleging, arising out of, based upon, or attributable to the facts and circumstances alleged in the **claim**

for which such notice has been given, or alleging any **wrongful act** that is the same as or related to any **wrongful act** alleged in the **claim** of which such notice has been given, shall be considered related to the first **claim** and made against **you** at the time the first **claim** was made against **you**, and reported to **us** at the time the first **claim** was reported to **us**.

#### N. Organizational Changes

If during the **policy period**:

- (1) the **named insured** merges into, consolidates with, or sells all or substantially all of its assets to any other person, entity, or group, such that the **named insured** is not the surviving entity; or
- (2) another entity, person, or group of entities or persons acting in concert acquires:
  - (a) ownership interests representing more than 50% of the voting, appointment or designation power for the selection of the **named insured**'s board of directors, or
  - (b) the right, pursuant to written contract or the **named insured**'s by-laws, charter, operating agreement or similar documents, to elect, appoint or designate a majority of the **named insured**'s board of directors;

then coverage under this policy shall continue until the later of the termination of the **policy period** or such other date to which we may agree, but only with respect to any otherwise covered **wrongful act, extortion claim, failure of security, criminal reward fund or crisis event** occurring prior to the effective time of **your organizational change** as set forth in subparagraphs (1) and (2) above. No coverage shall be provided under this policy with respect to any **wrongful act, extortion claim, failure of security, criminal reward fund or crisis event** occurring after the effective time of any such organizational change unless, no later than thirty (30) days after such effective time, **you** notify **us** in writing of the organizational change, **you** provide **us** with full particulars of the organizational change, and **you** agree to any additional premiums or amendments of the provisions of this policy required by **us**, subject to the review and acceptance by **us** of full and complete underwriting information. Further, coverage after the effective time of such organizational change is conditioned on **you** having fully paid any additional premium required by **us** when due.

#### O. Titles of Paragraphs

The titles of the various clauses and paragraphs of this policy and endorsements, if any, attached to this policy, are inserted solely for convenience or reference and are not to be deemed in any way to limit or expand the provisions to which they relate, and are not part of this policy.

#### P. Declarations

- (1) By accepting this policy, **you** agree that the statements in the application(s), security assessments and Declarations are true, are material to the risk assumed by **us**, and are **your** agreements, statements and representations. further agree that the Declarations, any security assessment, and the application form **You** the basis of this policy and are incorporated into and have become part of this policy. For the purposes of the foregoing, the term "application" includes all statements, information, representations and attachments made, prepared, or provided by **with respect to any security assessment, whether on-line or off-line, **you** conducted in connection with or involving a request for insurance under this policy.**
- (2) This policy is issued in reliance upon the truth of the statements and representations referenced in the foregoing.

#### Q. Bankruptcy

**You or your estate's bankruptcy or insolvency does not relieve us of our obligations under this policy.**

#### R. Net profit calculations

In determining the amount of net profit (or loss) and charges and expenses covered hereunder for the purpose of ascertaining the amount of **income loss** (and otherwise) sustained under coverage E, due consideration shall be given to the prior experience of **your business** before the beginning

of the period of recovery and to the probable business you could have performed had no material interruption occurred. Provided, however, that such net profit (or loss) calculations shall not include, and this policy shall not cover, net income that would likely have been earned as a result of an increase in volume of business due to favorable business conditions caused by the impact of computer attacks on other businesses. All such net profit (or loss) and charges and expenses shall be calculated on an hourly basis and based on your actual net profit (or loss) and charges and expenses.

#### **S. Inspection and expert assessment rights**

We may make audits, inspections or surveys at any time, and we may give you reports on the conditions we find, and recommend changes. Any inspections, surveys, reports or recommendations relate only to insurability, terms, conditions, and the premiums to be charged; such inspections, surveys, reports or recommendations will be treated as confidential by you. We do not make safety inspections or undertake to perform the duty of any person or organization to provide for the safety of workers or the public. We do not warrant conditions or warrant that conditions comply with laws, regulations, codes, or standards. We do not warrant the effectiveness of any security applicable to your computer system. This paragraph applies not only to us, but also to any outside consultant who makes inspections, surveys, reports, or recommendations for the purpose of underwriting and offering insurance.

Under coverages D and E, you and we each have the right to demand that the amount of loss be determined by an expert. If either you or we make a written demand for an expert opinion, each will select a competent independent expert and notify the other of the expert's identity within twenty (20) days of the receipt of the written demand by the other party. The two experts will then select a competent, impartial umpire. The experts will then determine and state separately the amount of each loss. If the experts submit a written report and they agree to use the same amount, the amount agreed upon will be the amount of the loss. If the experts fail to agree within a reasonable time, they will submit only their differences to the umpire. Written agreement so itemized and signed by any two of these three will determine the amount of the loss. Each expert will be paid by the party selecting the expert. Other expenses of the expert and the compensation of the umpire will be paid equally by you and us. If such experts are used, we will still retain our right to deny coverage.

#### **T. Alternative Dispute Resolution**

- (1) It is hereby understood and agreed that all disputes or differences that may arise with regard to the construction or interpretation of the provisions of this policy, whether arising before or after termination of this policy shall be submitted to the alternative dispute resolution ("ADR") process set forth in this Clause.
- (2) The insurer and insured may mutually agree to elect either ADR process discussed below; provided, however, that in the event the insurer and insured are unable to mutually agree to a type of ADR, the insurer and insured shall participate in non-binding mediation as described below.
- (3) The insurer and each and every insured agree that there shall be two choices of ADR process:
  - (a) non-binding mediation administered by any mediator to which the insurer and insured mutually agree, in which the insurer and any such insured shall try in good faith to settle the dispute by mediation under or in accordance with its then-prevailing commercial mediation rules; or
  - (b) arbitration submitted to an arbitration panel of three (3) arbitrators. The insureds shall select one (1) arbitrator, the insurer shall select one (1) arbitrator and said arbitrators shall mutually agree upon the selection of the third arbitrator.
- (4) In either mediation or arbitration, the mediator or arbitrators shall have knowledge of the legal, corporate management, technology, or insurance issues relevant to the matters in dispute.
- (5) The dispute or differences considered by the mediator or arbitrators shall be governed by the internal laws of the State of New York; provided, however that New York law shall not apply to:

- (a) procurement, issuance or delivery of this policy, including cancellation or nonrenewal provisions of this policy (if any) or any other New York State regulations or requirements regarding policies issued pursuant to New York State Insurance Law; or
- (b) to the determination of the availability of punitive damages, unless New York law otherwise applies.

(6) In the event of arbitration, the decision of the arbitrators shall be final and binding and provided to both parties, and the arbitrators' award shall not include attorneys' fees, costs, legal expenses or any punitive or extra-contractual sum. In the event of mediation, either party shall have the right to commence a judicial proceeding; provided, however, that no such judicial proceeding shall be commenced until the mediation shall have been terminated and at least one hundred and twenty days (120) shall have elapsed from the date of the termination of the mediation. In all events, each party shall share equally the expenses of the ADR process.

(7) Either choice of ADR process may be commenced in New York, New York; Atlanta, Georgia; Chicago, Illinois; Denver, Colorado; or in the state indicated in Item 1(a) of the Declarations as the mailing address for the **named insured**. The **named insured** shall act on behalf of each and every insured in deciding to proceed with an ADR process under this clause.

#### **U. Service of Suit**

- (1) Subject to paragraph VII.T., it is agreed that in the event of failure of the **insurer** to pay any amount claimed to be due hereunder, the **insurer**, at the request of the **insured**, will submit to the jurisdiction of a court of competent jurisdiction within the United States. Nothing in this condition constitutes, or should be understood to constitute, a waiver of the rights to commence an action in any court of competent **insurer's** jurisdiction in the United States, to remove an action to a United States District Court, or to seek a transfer of a case to another court as permitted by the laws of the United States or of any state in the United States. It is further agreed that service of process in such suit may be made upon General Counsel, Legal Department, American International Specialty Lines Insurance Company, 70 Pine Street New York, NY 10270, or his or her representative, and that in any suit instituted against the **insurer** upon this contract, the **insurer** will abide by the final decision of such court or of any appellate court in the event of any appeal.
- (2) Further, pursuant to any statute of any state, territory, or district of the United States that makes provision therefore, the **insurer** hereby designates the Superintendent, Commissioner, or Director of Insurance, or other officer specified for that purpose in the statute, or his or her successor or successors in office as its true and lawful attorney upon whom may be served any lawful process in any action, suit, or proceeding instituted by or on behalf of the **insured** or any beneficiary hereunder arising out of this contract of insurance, and hereby designates the above-named General Counsel as the person to whom the said officer is authorized to mail such process or a true copy thereof.

This endorsement, effective **12:01 am July 1, 2006** forms a part of  
policy number **672-91-00**  
issued to **ALTICOR GLOBAL HOLDINGS, INC**

by **American International Specialty Lines Insurance Company**

**NOTICE OF CLAIM AMENDATORY ENDORSEMENT**

In consideration of the premium charged, it is hereby understood and agreed that Clause VII., paragraph A., **What You Must Do in the Event of a Claim or Loss**, is deleted in its entirety and replaced with the following:

**A. What You Must Do in the Event of a Claim or Loss**

- (1) Before coverage will apply, you must notify us in writing of:
  - (a) with respect to coverage A, any claim against you as soon as practicable after it is known by any of your office of the chief executive officer, office of chief financial officer, office of the chief information officer, office of risk manager or office of general counsel;
  - (b) with respect to coverage B and C, any claim against you as soon as practicable after it is known by any of your office of the chief executive officer, office of chief financial officer, office of risk manager or office of general counsel, but in all events before coverage will apply for any claim you must notify us in writing of such claim no later than either:
    - (i) within the policy period or Extended Reporting Period, if applicable; or
    - (ii) within thirty (30) days after the end of the policy period or Extended Reporting Period, if applicable, as long as such claim is reported to us in writing no later than thirty (30) days after the date such claim was first made against you;
  - (c) with respect to coverages D and E, your loss or of a circumstance that may result in a loss as soon as practicable, but in all events either within: the policy period or Extended Reporting Period, if applicable; or the policy period of any policy issued by us or any other AIG member company that immediately replaces this policy (or any successive and uninterrupted series of policies issued by us or by any other AIG member company to replace this policy).
  - (d) with respect to coverage G, any crisis event as soon as practicable after the crisis event commences, but in no event later than the end of the policy period or Extended Reporting Period, if applicable.

This endorsement, effective **12:01 am July 1, 2006** forms a part of  
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by **American International Specialty Lines Insurance Company**

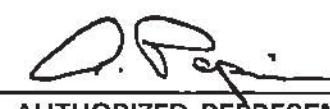
Such notice and all other information and documentation required to be provided under this policy in the event of a **claim or loss** should be directed to the following address:

AIG Technical Services, Inc.  
Box 1000  
New York, NY 10268

(2) In addition, with respect to all coverages under this policy, you must also:

- (a) immediately record the specifics of any **claim** and the **date you first received such claim**;
- (b) immediately record the specifics of any **loss or failure of security** and the **date you first became aware of such loss or failure of security**;
- (c) take prompt steps to minimize the **loss** and take reasonable steps to prevent further **loss**;
- (d) at our request report such **loss or failure of security** to the **FBI, CERT, ISAC or any other central reporting or investigative organization that we may designate**;
- (e) upon our request, furnish to **us** any and all documentation within **your possession**; and
- (f) send **us** copies of all demands, suit papers, or other legal documents you receive, as soon as possible.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



**AUTHORIZED REPRESENTATIVE**  
Or Countersignature (In states where applicable)

**COPY**

**END 1**

AGHI005646

This endorsement, effective 12:01 am July 1, 2006 forms a part of  
policy number 672-91-00  
issued to **ALTCOR GLOBAL HOLDINGS, INC**

by **American International Specialty Lines Insurance Company**

**AMENDATORY ENDORSEMENT**

In consideration of the premium charged, it is hereby understood and agreed that this policy is amended as follows:

- (1) CLAUSE III., DEFINITIONS, PARAGRAPH I., "computer attack" is hereby amended by deleting the lead-in wording in its entirety and replacing it with the following:
  - I. **Computer attack** means unauthorized access, unauthorized use, receipt or transmission of a malicious code, or a denial of service attack that:
- (2) CLAUSE III., DEFINITIONS, PARAGRAPH I., "computer attack" sub-paragraph (2) is hereby deleted in its entirety and replaced with the following:
  - (2) results in the disclosure of private or confidential information stored on a computer system; or
- (3) CLAUSE III., DEFINITIONS, PARAGRAPH O. "damages," sub-paragraph (1), is hereby deleted in its entirety and replaced with the following:
  - (1) punitive, exemplary and multiple damages (where insurable by applicable law that most favors coverage for such damages)
- (4) CLAUSE III., DEFINITIONS, PARAGRAPH T. "Extra expense" is hereby deleted in its entirety and replaced with the following:

T. **Extra expense** means the expenses you incur that are both reasonable and necessary during the period of recovery:

  - (1) to reduce **your income loss**, provided that such expenses:
    - (a) are over and above the total reasonable and necessary expenses that you would have incurred had no material interruption occurred; and
    - (b) do not exceed the amount by which the **income loss** covered under this policy is thereby reduced;
  - (2) to minimize or avoid the **material interruption** and continue **your business**, which would not have been incurred had no material interruption occurred; provided, however, that such expenses shall not include **forensic expenses**;

This endorsement, effective **12:01 am July 1, 2006** forms a part of  
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issued to **ALTIOR GLOBAL HOLDINGS, INC**

by **American International Specialty Lines Insurance Company**

- (3) as forensic expenses, which would not have been incurred had no material interruption occurred; or
- (4) to remove specific identified malicious code, provided that:
  - a) the failure to remove such malicious code would cause or increase your income loss; and
  - b) the costs associated with the removal of such malicious code do not exceed the amount of income loss that such removal prevented.

Provided, however, that with respect to any material interruption caused by a failure of security of your dependent business, extra expense shall be limited to those expenses described in above subparagraph (1) of this paragraph.

(5) CLAUSE III., DEFINITIONS, PARAGRAPH S., "extended interruption period" is hereby amended by deleting the final sentence of that paragraph and replacing it with the following:

Provided, however, any extended interruption period shall end no later than ninety (90) consecutive days after the date and time the period of recovery ends.

(6) CLAUSE III., DEFINITIONS, PARAGRAPH EE., "Internet media" is hereby deleted in its entirety and replaced with the following:

EE. Internet media means: (1) any material, including advertising, on your Internet site; (2) any material created by you that is displayed on a third-party's Internet site.

(7) CLAUSE III., DEFINITIONS, PARAGRAPH WW. "subsidiary," sub-paragraph (2), is amended by deleting all references to "five percent (5%)", and replacing that language with the following: "ten percent (10%)."

(8) CLAUSE III., DEFINITIONS, PARAGRAPH CCC., "you, your, or insured" is hereby amended by appending the following sub-paragraph to the end of that paragraph:

(7) any past, present or future officer, director or trustee of the named insured or subsidiary, but only while acting within the scope of their duties as such, and in furtherance of or on behalf of the legal interests of the named insured;

This endorsement, effective 12:01 am July 1, 2006 forms a part of  
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by *American International Specialty Lines Insurance Company*

(9) CLAUSE IV., EXCLUSIONS - CLAIMS AND LOSSES NOT COVERED, PARAGRAPH I, is deleted in its entirety and replaced with the following:

1. any insured failing to maintain insurance;

(10) CLAUSE IV., EXCLUSIONS - CLAIMS AND LOSSES NOT COVERED, PARAGRAPH M., SUB-PARAGRAPH (2), is hereby deleted in its entirety and replaced with the following:

- (2) any intentional violation of your privacy policy; provided, however, this exclusion M.(2) shall not apply to any natural person insured, other than directors, officers, trustees, principals or partners of an insured (or any equivalent position), if he or she did not know or have reason to know of, participate in, acquiesce to, or facilitate any of the aforementioned conduct, and he or she did not gain an advantage to which he or she was not entitled; or

(11) CLAUSE IV., EXCLUSIONS - CLAIMS AND LOSSES NOT COVERED, PARAGRAPH M., SUB-PARAGRAPH (3), is hereby amended by appending the following language to the end of that sub-paragraph:

Notwithstanding anything to the contrary in this exclusion M.(3), this exclusion M.(3) shall not apply to any natural person insured, other than directors, officers, trustees, principals or partners of an insured (or any equivalent position), if he or she did not know or have reason to know of, participate in, acquiesce to, or facilitate any of the aforementioned conduct, and he or she did not gain an advantage to which he or she was not entitled.

(12) CLAUSE IV., EXCLUSIONS - CLAIMS AND LOSSES NOT COVERED, PARAGRAPH U., SUB-PARAGRAPH (2), is hereby deleted in its entirety and replaced with the following:

- (2) employees (other than those referenced in sub-paragraph IV.U.(1)) or independent contractors employed by you, but only if any of the persons referenced in sub-paragraph IV.U.(1): (a) colluded with such employees or independent contractors, including without limitation, participating in, acquiescing to, facilitating or attempting to conceal, any of the referenced conduct; or (b) knew or had reason to know that any such employee or independent contractor was engaged or going to engage in such conduct.

This endorsement, effective **12:01 am July 1, 2006** forms a part of  
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issued to **ALTICOR GLOBAL HOLDINGS, INC**

by **American International Specialty Lines Insurance Company**

(13) CLAUSE IV., EXCLUSIONS - CLAIMS AND LOSSES NOT COVERED, PARAGRAPH X., is amended by appending the following language to the end of that paragraph:

Provided, however, this exclusion shall not apply to any natural person insured, other than directors, officers, trustees, principals or partners of an insured (or any equivalent position), if he or she did not know or have reason to know of, participate in, acquiesce to, or facilitate any of the aforementioned conduct, and he or she did not gain an advantage to which he or she was not entitled.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

**COPY**

**END 2**

  
**AUTHORIZED REPRESENTATIVE**  
Or Countersignature (In states where applicable)

AGHI005650

This endorsement, effective **12:01 am July 1, 2006** forms a part of  
policy number **672-91-00**  
issued to **ALTI COR GLOBAL HOLDINGS, INC**

by **American International Specialty Lines Insurance Company**

### **AMENDATORY ENDORSEMENT**

In consideration of the premium charged, it is hereby understood and agreed that this policy is amended as follows:

(1) **CLAUSE III., DEFINITIONS**, is hereby amended as follows:

(A) Paragraph G., "claim," is hereby deleted in its entirety and replaced with the following:

**G. Claim means:**

- (1) a written or oral demand for money, services, non-monetary relief or injunctive relief; or
- (2) a suit; or
- (3) with respect to coverage C only, an extortion claim.

Provided, however, that **claim** shall not mean, and this policy shall not cover, any action, demand, or investigation commenced by any federal, state or local regulatory body or agency for, arising out of, or alleging a violation of **HIPAA**.

(B) Paragraph W., "failure of security," is hereby deleted in its entirety and replaced with the following:

**W. Failure(s) of security means:**

- (1) the actual failure and inability of the **security of your computer system** as defined in III.UU(1), to mitigate loss from or prevent a **computer attack**, including without limitation a **computer attack** that results in the acquisition by an unauthorized person of **personal information** owned or licensed by **you**;
- (2) with respect to coverage B only:
  - (a) **physical theft of hardware or firmware controlled by you** (or components thereof) on which electronic data is stored, by a person other than an **insured**, from a premises occupied and controlled by **you**; or
  - (b) **an actual violation of security** as defined in III.UU(2) by any of **your employees or supervised contractors**, which directly results in a **computer attack**;

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- (3) with respect to dependent business interruption only, the actual failure and inability of the security of your dependent business' computer system to prevent a computer attack; or
- (4) with respect to personal information hosts only, the actual failure and inability of the security as defined in III.UU(1) of a personal information host's computer system to prevent a computer attack that results in the acquisition by an unauthorized person of personal information owned or licensed by you.

provided, however, in no event shall any of the perils in subparagraphs (1) through (5) above constitute a failure of security if resulting from any failure in project planning, operational error(s) or programming error(s). This policy shall not cover any claims arising out of such project planning, operational or programming error(s).

- (C) Paragraph UU., "security," is hereby deleted in its entirety and replaced with the following:  
**UU. Security** means: (1) hardware, software or firmware whose function or purpose is to mitigate loss from or prevent a computer attack, including, without limitation, firewalls, filters, DMZ's, computer virus protection software, intrusion detection, the electronic use of passwords or similar identification of authorized users; and (2) your specific written policies or procedures for your computer systems that are specifically intended to prevent unauthorized access to, or unauthorized use of, your computer system, including without limitation, the theft of a password or access code by non-electronic means.
- (D) Paragraph BBB., "wrongful acts," sub-paragraph (1), is hereby amended by appending the following to the end of that sub-paragraph:  
(d) a HIPAA violation.
- (E) Paragraph BBB., "wrongful acts," sub-paragraph (2), is hereby deleted in its entirety and replaced with the following:  
(2) with respect to coverage B only, any actual or alleged breach of duty, neglect, act, error or omission that results in:

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by **American International Specialty Lines Insurance Company**

- (a) **a failure of security** as provided in subparagraphs (1) or (2) of the definition of **failure of security**; or
- (b) **your failure to disclose a failure of security** as defined in subparagraph (1), (2) or (4) of the definition of **failure of security**, in violation of '1798.82(a) of the California Civil Code (as amended); or
- (c) **a HIPAA violation.**

(2) **CLAUSE III., DEFINITIONS**, is hereby amended by adding the following definitions to the end of that Clause:

**AM- A.** **Personal information** shall have the same meaning as that term is defined in '1798.82(e) of the California Civil Code (as amended);

**AM-B.** **Personal information host(s)** means any person or entity that:

- (1) stores or maintains computerized data on **your behalf** that contains **personal information**, which is owned or licensed by **you**; and
- (2) with whom **you** have entered into a fully executed written contract with provisions that expressly require such person or entity to:
  - (a) provide notice to **you** of any "breach of the security of the system" immediately following discovery of such "breach of the security of the system," as required under '1798.82(b) of the California Civil Code (as amended);
  - (b) fully hold **you** harmless, defend and indemnify **you** for any claims or liability arising out of or related to any actual or alleged "breach of the security of the system" or violation of '1798.82 of the California Civil Code, *et. seq.* (as amended); and
  - (c) purchase network security liability insurance to cover damages and **claims expenses** related to **claims** arising out of or related to any actual or alleged "breach of the security of the system" or violation of '1798.82 of the California Civil Code, *et. seq.* (as amended).

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**AM-C. Supervised contractors** means any independent contractor supervised by your employees and working on your behalf, which has agreed in writing to abide by your specific written policies or procedures for your computer systems that are specifically intended to prevent unauthorized access

**AM-D. HIPAA** means Health Insurance Portability and Accountability Act of 1996 (Public Law 104-191) and the rules and regulations promulgated thereunder as they currently exist, and as amended;

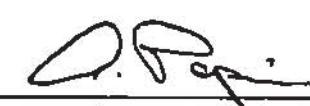
**AM-E. HIPAA individual** means any individual who: (1) is the subject of **HIPAA Information assets** provided to you; and (2) who is authorized to access the **HIPAA Information assets** provided to you.

**AM-F. HIPAA information assets** means protected health information as defined under **HIPAA** (45 CFR 164.501) which is electronically stored on or transmitted by **your computer system**.

**AM-G. HIPAA violation** means:

- (1) with respect to Coverage A, any form of invasion, infringement or interference with rights of privacy or publicity, including false light, public disclosure of private facts, intrusion and commercial appropriation of name, persona or likeness or other violations of privacy laws, arising out of the unauthorized display of **HIPAA information assets**;
- (2) with respect to Coverage B, a failure of security as defined in sub-paragraphs III.UU(1) and III.UU(2) resulting in the : (1) unauthorized use of or unauthorized access to **HIPAA information assets**; (2) unauthorized electronic disclosure of **HIPAA information assets** by you; (3) injury to **HIPAA information assets**; or (4) inability of a **HIPAA individual** to gain access to **HIPAA information assets** stored on **your computer system**.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS SHALL REMAIN UNCHANGED.



AUTHORIZED REPRESENTATIVE

Or Countersignature (In states where applicable)

**COPY**

**END 3**

AGHI005654

This endorsement, effective 12:01 am July 1, 2006 forms a part of  
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**EMPLOYEE CLAIMANT IDENTITY THEFT ENDORSEMENT**

In consideration of the premium charged, subject to all of the terms and conditions of the policy, it is hereby understood and agreed that the policy is amended by deleting paragraph IV.S in its entirety and replacing it with the following:

S. against you that is brought, directly or indirectly, by or on behalf of:

any insured except:

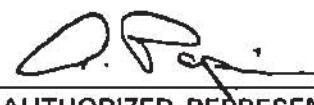
- (a) as described in subparagraph III.CCC.(6); or
- (b) as described in subparagraph III.CCC.(3) ("Employee Claimant"), but only: (i) with respect to claims for wrongful act(s) resulting in identity theft that arise out of an otherwise covered failure of security; and (ii) if such Employee Claimant did not commit, participate in or contribute to such wrongful act(s);

any entity that is owned, managed or operated, directly or indirectly, in whole or in part, by you;

any parent company, subsidiary, director, officer, partner, trustee, successor or assignee of yours, or anyone affiliated with you or such business entity through common majority ownership or control; or

any independent contractor supplying material or services to you, but, as regards such independent contractor, this exclusion applies only with respect to claims involving disputes over the ownership or exercise of rights in material or services supplied.

All other terms, conditions and exclusions remain unchanged.



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**COPY**

**END 4**

This endorsement, effective 12:01 am July 1, 2006 forms a part of policy number 672-91-00 issued to **ALTIOR GLOBAL HOLDINGS, INC**

by **American International Specialty Lines Insurance Company**

### **COMPUTER CRIME COVERAGE**

In consideration of the premium charged, it is hereby understood and agreed that this policy is amended as follows:

- (1) Unless otherwise set forth, the terms and conditions contained in Part A - Computer Theft Coverage of this Endorsement shall apply only to coverage extended by virtue of this Endorsement. Unless otherwise stated the terms, conditions, and exclusions of the policy to which this Endorsement is endorsed also apply to the coverage extended by virtue of this Endorsement. The coverage provided under this Endorsement is provided on a **difference in conditions** basis.
- (2) **CLAUSE I., PARAGRAPH D., Information Asset Coverage** is hereby deleted in its entirety and replaced with the following:

#### **D. Information Asset and Computer Crime Coverage**

- (1) **We shall pay you the actual information asset loss, in excess of the applicable Retention, which you sustain, resulting directly from injury to information assets first occurring during the policy period. Such information asset loss must first occur during the policy period and result from a failure of security of your computer system that also first occurs during the policy period.**
- (2) **We will pay you the computer crime loss, in excess of the applicable Retention, which you sustain, resulting directly from computer theft. Such computer theft must first occur and be discovered during the policy period, and result from a failure of security that also first occurs during the policy period.**
- (3) **CLAUSE III., DEFINITIONS**, is hereby amended by adding the following definitions to the end of that Clause:

**CR-A. Computer crime loss** means the amount of **money or securities** lost as the result of **computer theft**, as valued pursuant to the paragraph VII.CR-A. (Valuation of Money and Securities) of this Endorsement. This definition is subject to the limitations set forth in the Definition of **loss**.

**CR-B. Computer theft** means the intentional and unlawful misappropriation of **money or securities** from **you** resulting directly from the use of **your computer system** by an unauthorized person.

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**CR-C. Difference in conditions** means subject to all other terms and conditions set forth herein, coverage applies when the covered **computer crime loss**, perils definitions, and/or conditions set forth herein are broader in meaning or scope than those of an **Insured's** valid and collectible other insurance; and only in that event, does this insurance become primary insurance. In all other circumstances, this insurance shall be excess over an **Insured's** valid and collectible other insurance.

**CR-D. Losses discovered or discovered** means the actual time at which **your** General Counsel, Risk Management Department, management of the IT/IS Department, Internal Audit Department, officer or director became aware that **computer theft** has occurred.

**CR-E. Money** means the following which are owned by **you** or in **your** possession: (1) currency, coins and bank notes in current use and having a face value; (2) travelers checks, registered checks and money orders held for sale to the public; (2) and electronic cash equivalents of (1) and (2).

**CR-F. Securities** means the following which are owned by **you** or in **your** possession: shares, stock, debentures, debenture loan stock, bonds, and any other security of any description and interests in a security, whether the foregoing is certificated or uncertificated. **Securities** do not include **money**.

(4) **CLAUSE III., DEFINITIONS**, is hereby amended by amending the following definitions:

(A) **PARAGRAPH III.W., "failure of security"** is amended by adding the following sub-paragraph to the end of that definition:

For purposes of Coverage D(2), **failure(s) of security** means, the actual failure and inability of the **security of your computer system** as defined in III.UU(1), to mitigate loss from or prevent a **computer theft**. However, in no event, shall the above constitute a **failure of security** if resulting from operational errors, unintentional programming errors, or any failure in project planning. The rest of the definition for **failure of security** in the policy shall not apply to Coverage D(2)

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(B) **PARAGRAPH III.X., "first inception date"** is amended by adding the following to the end of that definition:

For purposes of Coverage D(2), **first inception date** means the inception date of the first computer or electronic crime, computer theft or computer crime, policy or endorsement issued by us or any other member company of American International Group, Inc. ("AIG") to the named insured and continually replaced by us or any other AIG member company until the inception date of this policy that provides substantially equivalent coverage as is provided by this endorsement

(C) **PARAGRAPH III.II., "loss,"** the lead-in paragraph, is deleted in its entirety and replaced with the following:

II. **Loss** means the total sum of any **damages, claim expenses, extortion monies, information asset loss, business interruption loss, criminal reward fund, computer crime loss and crisis expenses**. However, "loss," "damages," "claim expenses," "extortion monies," "information asset loss," "business interruption loss," "criminal reward fund," "computer crime loss" and "crisis expenses" shall not mean, and this policy shall not cover:

(5) **CLAUSE IV., EXCLUSIONS - CLAIMS AND LOSSES NOT COVERED**, is hereby amended by adding the following to the end of that Clause

With respect to coverage D(2) only, we will not cover any **computer crime loss** or loss arising out of or resulting, directly or indirectly, from:

**CR-A.** forged, altered or fraudulent negotiable instruments, securities, money, documents, or written instruments used as source documentation, or manually keyed into **your computer system**;

**CR-B.** indirect or consequential loss, including without limitation potential income or lost business opportunities;

**CR-C.** any loss resulting from the unauthorized access or use of your telephone system;

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**CR-D.** any loss resulting directly or indirectly from the use or purported use of credit, debit, charge, access convenience, customer identification or other cards; or

With respect to coverage D(2) only, we will not cover any computer crime loss or loss:

**CR-E.** the proof which as to its existence or amount is solely dependent on:

- (1) an inventory computation or comparison; or
- (2) a profit and loss computation or comparison;

(6) **CLAUSE VII., OTHER PROVISIONS AFFECTING COVERAGE**, is hereby amended by appending the following to the end of that Clause:

**CR-A. Valuation of Money and Securities**

- (1) Covered computer crime loss consisting of lost money shall be valued at the face value of the lost money less the value of any money recovered after the computer theft. With respect to money, we may choose at our sole discretion to pay computer crime loss in the currency of the country to which the computer theft relates or in the United States dollar equivalent determined by the rate of exchange as published by the *Wall Street Journal* on the day the computer theft was discovered.
- (2) Covered computer crime loss consisting of lost securities shall be valued at the market value of said securities as published by the *Wall Street Journal* at the close of business on the day the applicable computer theft was discovered, less the value of any securities recovered as determined by the value published in the *Wall Street Journal* at the close of business on the day said securities were recovered; provided, however, in our sole discretion, we may pay the:
  - (a) value of such securities or replace them in kind, in which event you must assign to us all your rights, title and interest in and to such securities; or
  - (b) cost of any lost securities bond required in connection with issuing duplicates of the securities.

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**In no event shall the value of securities be determined based on loss or change of market value because of your inability to sell or buy securities as the result of the computer theft.**

**CR-B. Limit of Liability**

Regardless of the number of years this insurance remains in force or the number of premiums paid, no limit of liability cumulates from year to year or period to period. Coverage for loss as is provided under this Endorsement is part of and not in addition to the applicable sublimit(s) of liability for coverage D and the policy limit of liability as set forth in the policy.

**CR-C. Limited Benefit**

This coverage is for your benefit only. It provides no rights or benefits to any third party.

**CR-D. Recovered Money or Securities**

In the event you recover any money or securities that was the subject of a covered computer theft, after we have paid you for computer crime loss related to such money or securities, you shall reimburse us the amount paid by us for such recovered money or securities within thirty (30) days of such recovery.

**CR-E. Difference in Conditions**

Notwithstanding paragraph VII.F (Other Insurance), coverage for computer theft is specifically written on a **difference in conditions** basis. It is a condition of this policy that all other applicable insurance policies or replacements thereof in force at the inception of this policy will be maintained in full force and effect during the term of this policy or notification will be made to us within ninety (90) days of such change. In the event of such notification, we shall have the right to modify this policy or make adjustments to the premium if we reasonably deem that such policy changes or premium adjustments are necessary, and such modifications or adjustments shall apply to all loss discovered made after the effective time of the failure to maintain.

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(7) **CLAUSE VII., OTHER PROVISIONS AFFECTING COVERAGE**, is hereby amended by deleting sub-paragraph VII.L(3) and replacing it with the following:

**(3) Coverage D and E Extended Reporting Period**

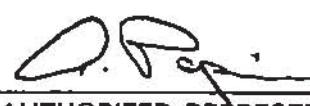
If we or the named insured shall cancel this policy or refuse to replace this policy, you shall have up to one (1) year following the effective date of such cancellation or refusal to discover and report any covered loss under coverages D(1) and E.

Under coverage D(2), if we or the first **Named Insured** refuses to renew this policy, the first **Named Insured** shall have the right, upon the payment of an additional premium of 75% of the annual premium as set forth in the Declarations, to a period of ninety days (90) following the effective date of such non-renewal (herein referred to as the "Optional Extended Reporting Period") in which to give us written notice to us of any otherwise covered **computer theft** that first occurred and was **discovered** by you during the **policy period**. The rights contained in this paragraph shall terminate, however, unless we receive written notice of such election, together with the additional premium due, within thirty (30) days of the effective date of non-renewal. This paragraph shall not apply to any cancellation resulting from non-payment of premium. The limit of liability for the Extended Reporting Period shall be part of, and not in addition to, the **policy limit of liability** and applicable **sublimits of liability** for Policy Period. A renewal with different terms or premium shall not be a refusal to renew this policy.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS SHALL REMAIN UNCHANGED.

**COPY**

**END 5**

  
**AUTHORIZED REPRESENTATIVE**  
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